

Message Text

CONFIDENTIAL

PAGE 01 STATE 096867

71

ORIGIN EUR-06

INFO OCT-01 CCO-00 RSC-01 SS-15 SSO-00 ISO-00 /023 R

66619

DRAFTED BY EUR/NE:NANDREWS:BS

EUR:WSTABLER

EUR/NE:WBUELL

S/S:SEFRY

P:MR RAPHEL

----- 100294

O 100015Z MAY 74 ZFF6

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO IMMEDIATE

INFO AMCONSUL JERUSALEM IMMEDIATE

C O N F I D E N T I A L STATE 096867

TOSEC 471

FOR UNDER SECRETARY SISCO

FOLLOWING REPEAT REYKJAVIK 0636 ACTION SECSTATE INFO SECDEF

CINCLANT COMICEDEFOR NATO BONN COPENHAGEN LONDON OSLO

STOCKHOLM 09 MAY 1974. QUOTE:

C O N F I D E N T I A L REYKJAVIK 0636

E.O. 11652: GDS

TAGS: PFOR ECON MARR IC NATO

SUBJECT: ICELANDIC GOVT CRISIS: COMMENT

REF: REYKJAVIK 0630

1. ALL ICELANDIC POLITICAL ANALYSTS AGREE THAT ELECTION CAMPAIGN
WILL BE BITTER. ALTHOUGH MAIN FOCUS WILL BE THE ECONOMIC CRISIS,
DEFENSE WILL ALSO BE AN ACTIVE ISSUE. PRO-WESTERN SENTIMENT
DEPLORES FACT THAT COMMUNISTS WILL BE ABLE TO CAMPAIGN AS SITTING
MEMBERS OF THE GOVT. CONSERVATIVE ELEMENTS OF PROGRESSIVE PARTY
(PP) FEAR THAT CIRCUMSTANCES MIGHT DRIVE PP CLOSER TO COMMUNISTS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 096867

BECAUSE OF THIS. AT LAST MOMENT COMMUNISTS CHANGED THEIR

POSITION AND SUPPORTED PRIMEMIN'S ECONOMIC MEASURES, ALTHOUGH THE KNOWLEDGEABLE AND THE SOPHISTICATED POLITICIANS IN THE PP RECOGNIZE THIS WAS AN OPPORTUNISTIC MEASURE ON THEIR PART. NEVERTHELESS THIS MIGHT HAVE SOME IMPACT FAVORABLE TO THE COMMUNISTS WITHIN THE PP. THE PP MIGHT GO TO EXTREMES TO BE IN THE GOVT AGAIN UNLESS THEY CAN MANEUVER AN ACCOMMODATION WITH INDEPENDENCE PARTY. AT THE MOMENT THE PRIMEMIN CONTINUES TO BE WARY OF TOO CLOSE AN ASSOCIATION WITH THE COMMUNISTS AND IT IS BELIEVED HE WILL TRY TO STEER THE PARTY ALONG MODERATE LINES, HOPING THIS WILL PREVENT PP FROM BEING FROZEN OUT OF A NEW INDEPENDENCE PARTY-LED GOVT.

2. ALTHOUGH PRIMEMIN CAN THEORETICALLY RENOUNCE THE DEFENSE AGREEMENT IT IS CONSIDERED HIGHLY UNLIKELY HE WILL DO THIS. IT WOULD BE TOO EXPLOSIVE POLITICALLY FOR HIS OWN PARTY AND ESPECIALLY IN VIEW OF THE 55,000 SIGNATURES PETITION OPPOSING ANTI-BASE ACTION. AGAIN IT IS CONCEIVABLE, BUT CONSIDERED UNLIKELY, THAT GOVT WILL SET DATE FOR USG RESPONSE TO THE GOI DEFENSE PROPOSALS PRESENTED IN WASHINGTON LAST MONTH. PRIMEMIN PROMISED CHAIRMAN OF INDEPENDENCE PARTY LAST NIGHT THAT HE WILL EXERCISE HIS DECREE AUTHORITY IN VERY LIMITED MANNER, PROBABLY ONLY CONCERNING ECONOMIC MEASURES.

3. THERE IS GENERAL FEELING THAT COMMUNISTS AND THE INDEPENDENCE PARTY WILL GAIN IN THE NEXT ELECTION. COMMUNISTS WILL PROBABLY PICK UP 3 SEATS FROM THE LEFTIST, ANTI-IDF ELEMENT OF PP WHICH HAS, FOR ALL INTENT AND PURPOSES, BROKEN AWAY FROM PP. IF THEY DON'T VOTE FOR THE COMMUNISTS, THE PP LEFTIST ELEMENT MAY PUT UP THEIR OWN SLATE OF CANDIDATES BUT ALIGN THEMSELVES WITH THE COMMUNISTS. IF THE LATTER HAPPENS, THEY MAY PULL SOME VOTES FROM THE SOCIAL DEMOCRATS AND THE OLL, BUT STILL PROBABLY NOT GAIN MORE THAN AN ADDITIONALS SEAT BY THIS MANEUVER. THE INDEPENDENCE PARTY MAY PULL ONE SEAT FROM THE SOCIAL DEMOCRATS AND PERHAPS ONE SEAT FROM THE CONSERVATIVE ELEMENT OF THE PP. ALL OF THIS IS HIGHLY SPECULATIVE AT THIS TIME. IT WOULD APPEAR, HOWEVER, THAT INDEPENDENCE PARTY WILL BE ASKED TO FORM NEW GOVT AFTER ELECTIONS. THERE IS A COMBINATION OF COALITION POSSIBILITIES WHICH EXCLUDES COMMUNISTS.

4. ALL ANALYSTS SEEM TO AGREE AT THE MOMENT THAT THE USG HAS GAINED REGARDING THE IDF RETENTION ISSUE AND THAT BY AUTUMN A

CONFIDENTIAL

PAGE 03 STATE 096867

MUTUALLY SATISFACTORY IDF AGREEMENT WILL HAVE BEEN ACCOMPLISHED. THEY CAUTION, HOWEVER, THAT PSYCHOLOGY WILL PLAY A STRONG ROLE IN THE ELECTION CAMPAIGN AND THAT "WE SHOULD TREAD LIGHTLY" REGARDING BASE ACTIVITIES.
IRVING

UNQUOTE RUSH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONAL ELECTIONS, POLITICAL PARTIES, POLITICAL SITUATION, COMMUNISTS, TOSEC 471
Control Number: n/a
Copy: SINGLE
Draft Date: 10 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE096867
Document Source: CORE
Document Unique ID: 00
Drafter: NANDREWS:BS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740114-0001
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740557/aaaabynb.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: REYKJAVIK 0630
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 13 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 MAY 2002 by ifshinsr>; APPROVED <24-Sep-2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ICELANDIC GOVT CRISIS: COMMENT
TAGS: PFOR, ECON, MARR, IC, NATO
To: CAIRO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005